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## Fortune Brings Skinnygirl Into Fold

By DAVID KESMODEL

**Fortune Brands** Inc., seeking to capitalize on the emerging market of low-calorie cocktails, has acquired the Skinnygirl brand created by reality-television star Bethenny Frankel.

Fortune's Beam Global Spirits & Wine Inc. unit aims to build on the rapid growth of Skinnygirl Margarita—a bottled cocktail that boasts 100 calories per four-ounce serving—by expanding its distribution and introducing other drinks under the label.



Jay Brady/Everett Collection

Skinnygirl brand launched in 2009.

Launched 18 months ago with limited distribution, Skinnygirl Margarita has become one of the largest ready-to-drink cocktail brands in the U.S., bolstered by the 40-year-old Ms. Frankel's popularity among women.

Ms. Frankel, who was on the original "The Real Housewives of New York" on the Bravo cable network, now stars in a spinoff called "Bethenny Ever After." She is also the author of several books on healthy eating and a natural-foods chef.

Beam Global gains the instant marketing exposure of Ms. Frankel, who will remain heavily involved in promoting and developing Skinnygirl products under a multiyear agreement. Ms. Frankel co-owned Skinnygirl with liquor-industry veteran David Kanbar, who isn't staying on. Terms of the sale, which closed last week, couldn't be learned.

"To us, this is the beginning of what we hope will be a very big category," said Bill Newlands, president for North America for Beam Global, which makes brands such as Jim Beam bourbon and Sauza tequila. "We think [Skinnygirl] is a tremendous platform to put other premium, convenient, low-calorie products on the

market."

Calorie-cutting is a growing national trend and one that the beer industry has seized upon with lighter lagers, but it is a relatively new concept in the liquor category. Some restaurant chains, including [Cheesecake Factory](#) Inc., recently have begun selling their own lower-calorie cocktails. South Carolina's Firefly Distillery, known for its sweet tea vodka, is rolling out Firefly Skinny Tea.

Cocktail makers curb calories in different ways. Some replace sugar with Splenda, or use natural sweeteners or fruit juices.

Ms. Frankel said her margarita has only natural ingredients, with no preservatives or artificial colors; it is lightly sweetened with agave nectar.

For calorie-conscious women, the Skinnygirl version "is a way to have a cocktail and not feel guilty about it," Ms. Frankel said.

The product, sold in liquor or mass-market stores such as Costco Wholesale Corp. locations, is priced at \$14 or \$15 in standard 750-milliliter bottles. Skinnygirl Margarita ranked fourth in sales of ready-to-drink cocktails in food, drug and liquor stores in the 13 weeks ended Feb. 5, according to market researcher Nielsen Co. The Jose Cuervo Golden Margarita, marketed by [Diageo](#) PLC, ranks No. 1 in the category, which generated about \$218 million in sales at retailers tracked by Nielsen over the past year.

Beam Global, based in Deerfield, Ill., declined to disclose revenue for Skinnygirl, but said sales volume exceeds 100,000 cases a year. Growth of the Skinnygirl brand has been so rapid that, at times, Ms. Frankel's company struggled to keep up with demand.

Ms. Frankel said it was "a very difficult decision" to sell Skinnygirl, but ultimately she "wanted big muscle [behind it] and I wanted it now."

Part of the appeal of the brand, Mr. Newlands said, is that it can help the company attract more female consumers. One of the next cocktails under the Skinnygirl brand will be a white sangria, he said.

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